

Message Text

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71

ORIGIN EB-11

INFO OCT-01 ARA-16 EUR-25 EA-11 ISO-00 SPC-03 AID-20

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

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FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO IMMEDIATE

AMEMBASSY BERN IMMEDIATE

AMEMBASSY BONN IMMEDIATE

AMEMBASSY BRUSSELS IMMEDIATE

AMEMBASSY COPENHAGEN IMMEDIATE

AMEMBASSY THE HAGUE IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY MADRID IMMEDIATE

AMEMBASSY OTTAWA IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY ROME IMMEDIATE

AMEMBASSY TOKYO IMMEDIATE

C O N F I D E N T I A L STATE 249190

E.O. 11652: GDS

TAGS: CI, EFIN

SUBJECT: 1972 DEBT RESCHEDULING AGREEMENT WITH CHILE

REF: STATE 247650; STATE 248900

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1. PRESS RELEASE TO BE ISSUED BY USG AT 3:30 P.M., EST,

DECEMBER 21. TEXT HAS BEEN REVISED IN PARAGRAPHS ONE, TWO AND FOUR, TO READ AS FOLLOWS IN FINAL FORM:

"THE DEPARTMENTS OF STATE AND TREASURY ANNOUNCED TODAY THAT REPRESENTATIVES OF THE UNITED STATES GOVERNMENT AND THE GOVERNMENT OF CHILE HAVE REACHED AN UNDERSTANDING ON REPAYMENT OF DEBTS TO THE UNITED STATES THAT WERE DUE FROM NOVEMBER 1971 THROUGH DECEMBER 1972. THIS UNDERSTANDING IMPLEMENTS A MULTILATERAL DEBT RESCHEDULING ARRANGEMENT REACHED IN PARIS ON APRIL 19, 1972 BETWEEN THE GOC AND 12 CREDITOR GOVERNMENTS.

UNDER THE UNDERSTANDING, A TOTAL OF OVER DOLS. 60 MILLION WILL BE PAID OVER THE NEXT FOUR YEARS WITH DOLS. 16 MILLION OF THIS AMOUNT PAID ON DECEMBER 28, 1973. AN ADDITIONAL DOLS. 64 MILLION WILL BE PAID IN SIX YEARS BEGINNING ON JANUARY 1, 1975, WITH 6 PERCENT ANNUAL INTEREST.

CHILE HAS BEEN UNABLE TO MEET PAYMENTS DUE ON DEBTS TO THE UNITED STATES AND CERTAIN OF ITS AGENCIES

DURING 1973. THESE UNPAID OBLIGATIONS, AS WELL AS DEBTS DUE DURING 1974, WILL BE THE SUBJECT OF A MEETING OF CREDITOR NATIONS IN PARIS SCHEDULED FOR FEBRUARY 1974.

THE CHILEAN GOVERNMENT REITERATED ITS INTENTION TO FULFILL ALL OF THE PROVISIONS OF THE APRIL 1972 MULTILATERAL DEBT RESCHEDULING AGREEMENT AND, IN PARTICULAR, THEIR INTENTION TO CARRY ON DIRECT NEGOTIATIONS AIMED AT PROVIDING JUST COMPENSATION FOR OUTSTANDING NATIONALIZATIONS OF U.S. INTERESTS.

IN THE DISCUSSIONS LEADING UP TO THE UNDERSTANDING, THE CHILEAN REPRESENTATIVES DISCUSSED THE ECONOMIC SITUATION IN CHILE AND THE PROGRESS THEY HAVE MADE ON A STANDBY ARRANGEMENT WITH THE INTERNATIONAL MONETARY FUND TO HELP SUPPORT A CHILEAN ECONOMIC STABILIZATION PROGRAM."

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